

MINUTES OF THE ANNUAL MEETING
OF MEMBERS OF
FALL RIVER RURAL ELECTRIC COOPERATIVE, INC.

June 16, 2018

Fall River Rural Electric Cooperative, Inc. held the Annual Membership Meeting on Saturday, June 16, 2018, at Teton High School, 555 Ross Ave., Driggs, Idaho.

CALL TO ORDER

Board President Doug Schmier called the annual meeting of the members to order at 10 a.m. and Executive Assistant Joni Amen recorded the minutes.

PLEDGE OF ALLEGIANCE

Troop #82 of the Boy Scouts of America Posted the Colors and led the audience in the Pledge of Allegiance.

NATIONAL ANTHEM

Kristy Ramona directed a quartet including Jack Dobbs, Brennan Bates, Seth Jensen, and Gavin Behrens from Teton High School who did an outstanding job singing the National Anthem.

INVOCATION

A scripture reading and the invocation was given by Roger Shea, Pastor of Calvary Chapel.

WELCOME & INTRODUCTIONS

President Doug Schmier welcomed the members in attendance as well as special guests – BPA Administrator Elliot Mainzer, PNGC President Beth Looney, Legal Counsel Jerry Rigby, Auditors Dave DeCoria & Mike Burton, Driggs Mayor Hyrum Johnson, BPA Operations Manager Dee Wilson, Montana Electric Co-op Administration Representative Ryan Hall, State Representative Karey Hanks, and the Mayor of Teton, Gloria Hoopes, who was also in attendance. President Doug Schmier outlined the agenda as it would follow.

The appointment of the election judges, parliamentarian, and the sergeants of arms were announced. Those appointed were: Chief Election Judge Patricia Sturm, Parliamentarian Attorney Jerry Rigby, and Sergeants of Arms Brent Gamett and Randy Wakefield. Election judges were Bonnie Reece, Gary Henrie, Lynette Turner, Bill Vroman, Grant Kent and Randall Foster.

DETERMINATION OF A QUORUM

Chief Election Judge Patricia Sturm reported a quorum was constituted with over 150 voting members. The Cooperative has a total of 13,223 members.

READING OF THE ANNUAL MEETING NOTICE & MINUTES

Board of Directors' Secretary/Treasurer, Dede Draper, read the certificate of mailing and then entertained a motion to abstain from the reading of the minutes from last year's annual meeting held June 24, 2017. **A motion was made from the floor to dispense with the reading of the minutes, and the motion was seconded.** A VOICE VOTE WAS TAKEN; THE MOTION CARRIED BY UNANIMOUS VOTE.

NOMINATIONS COMMITTEE REPORT

The Nominating Committee Secretary, Bonnie Reece, explained the objectives and process of the Member Nomination Committee. She reported that the Nominating Committee meeting was held March 13, 2018, at Fall River Electric Co-op's main office in Ashton, Idaho. The purpose of the meeting was to select qualified candidates from the membership to run against the incumbents for the three director positions up for election this year.

The Nominating Committee included Andrea Marion, Grant Kent, Bill Rappel, Bill Vroman, Gary Henrie, Gary Marsden, Rocky Hermanson, Randall Foster and Bonnie Reece. The committee completed their duty by nominating candidates to run in the three districts up for election.

INTRODUCTION OF CANDIDATES

President Doug Schmier introduced the candidates and incumbents from each district, asking each of them to give a brief speech. Speaking from Rexburg/Ririe District 1 were Candidates Charles Allen, Brent "Husk" Crowther, Wes Donahoo, Todd Marx, and Reed Miller whose statement was read by President Schmier. Mike Oswald then gave his speech. Shane Schulthies was absent. Speaking from West Driggs/Tetonia District 5 was Brent Robson. Speaking from Ashton District 6 were Jack Baird, Dede Draper and Shelby Tuckett.

ELECTION

Chief Election Judge Patricia Sturm called for the members to vote and then asked for the judges to begin collecting the ballots. The judges collected the ballots and declared that the voting was closed. Judges retired to count the ballots.

BUSINESS REPORTS

Mike Burton of DM&T gave the annual financial audit report. This independent audit found that the consolidated financial statements were audited, and an unmodified opinion was given. This is the best opinion an audit firm can declare for an organization. It means that Fall River's consolidated financials fairly represent the financial activity for the year that ended December 31, 2017.

SCHOLARSHIP PRESENTATION

Administrative Committee Chairperson Dede Draper announced the scholarship recipients for 2018 and acknowledged those that were

present by asking them to stand. Fall River awarded 30 scholarships to very deserving students. Scholarship winners were Shaunae Green, Taylor Hill, Kylie Anderson, Sawyer Dye, Madelyn Miller, Jayson Bloxham, Mylee Mickelsen, Paton Potter, Ruthanna Bagley, Jessica Flores Perez, Jennifer B. Garcia Santiago, Coleby J. Hess, Baillie Jo Hillman, Lila M. Jolley, Samantha J. Kay, Madison D. Miller, Elise Reynaud, Elizabeth M. Ripplinger, Zurisadai Vasquez Bedolla, Olivia C. Wilson, Antonina Profatilova, Martin W. Grube, Easton J Roos, David C. Ross, Lucas D. Cattabriga, Angel L. Martinez, Alyssa Hawkes, Cade S. Lewis, Molly Kate Stein, and the Lineman Scholarship to Mitchell S. Hyde

A drawing for the new Energy Partner Scholarship, valued at \$1,000, was held and Tanner Huff of Teton County was the winner. This is a new scholarship personally funded by CEO Bryan Case.

SPECIAL GUEST SPEAKER

Fall River was honored to welcome BPA Administrator Elliot Mainzer to join us and report on BPA issues. Mr. Mainzer said that Fall River Electric Cooperative shared a rich history that intertwined with BPA. BPA's general mission was to bring power to rural providers of public power.

He spoke of Fall River's rich history with individuals meeting at Howl's Lumber store in the 1930s discussing how to get the new miracle of electricity to Rural Idaho. Members sacrificed and donated their own land to string the line. BPA began serving Fall River in 1963. They assisted in building the line to the local ski resorts. This effort continues with the Hooper Springs project which BPA is considering leasing from Lower Valley when they build it. He discussed transfer services in detail. Mr. Mainzer said he loved looking back at the minutes and seeing the fun things that folks did at our annual meetings.

BPA is a division of the Department of Energy. Long-term contracts will be up in 2028. Mr. Mainzer explained the changes happening in the industry with high tech companies joining the energy markets. We are asking how we can sustain our long-standing role as an engine in the prosperity of our communities. The strategic planning process at BPA is to run a commercially successful business starting with bending cost curves and strengthening balance sheets. They are modernizing the in-balance market. Infrastructure modernization is underway to adapt to new technology. BPA provides carbon-free energy efficiently, but other costs are really hurting. Salmon protection is very important, but there is only so much we can invest.

Mr. Mainzer then commented on his relationship with CEO Case and complimented him on how much Bryan's help meant to him in getting to know other managers by holding CEO meetings. CEO Case has been assembling managers for the greater Northwest and has arranged meetings with BPA's Administrator twice a year for the past few years. Mr. Mainzer presented a special coin in his appreciation; he very rarely gives these out.

FALL RIVER ELECTRIC – DIRECTORS REPORT

President Doug Schmier thanked Mr. Mainzer for joining us and then gave the directors' report for the Fall River Electric Board of Directors. A presentation was shown showcasing Fall River's history. He explained the details for our first ever \$500k owner rebate which was sent back to the consumers/members of the Cooperative. The rebate was the result of a fantastic water year which yielded a record in the amount of hydro-electric generation from Fall River's facilities, a cooler than normal spring which resulted in selling more kWh than projected, and the Fall River staff tightening their belts while investing in technology, which meant that in 2017, controllable costs were 2.3% lower than budgeted. President Schmier pointed out the partnership with local high schools for the Solar for Schools projects and reported that we still needed some additional funding, but that the projects looked like they would all go forward. Propane has been doing very well while expanding into Star Valley. They are the number one propane provider in the Legacy area because of our low prices, commitment to customer service, and dedication to safety.

GENERAL MANAGER/CEO Bryan Case recognized the staff for their great accomplishments in 2017. The Cooperative sets goals and commits to a work plan each year and the list of accomplishments is substantial. The Fall River staff are the ones that make all those accomplishments happen and CEO Case asked staff to stand and be recognized.

QUESTIONS FROM MEMBERS not answered today will be answered through Flashes, Facebook and Website.

Question 1 was asked regarding the merger with Lower Valley – Answer: The Board chose not to move forward with consolidation at this time.

2- Technology – how is Fall River handling cyber security? CEO Bryan Case reported that we had DOE conduct an audit and report on their findings. They found that we were addressing concerns but that it is a never-ending battle and we are striving to stay on top of it. The Cooperative has budgeted for a third party to conduct a penetration test this year to test how secure our systems are.

3- Are there more wind farms planned? Answer – In the Northwest there are a few additions planned but there seems to be a shift to large, utility-scale solar farms being developed.

4- Does solar at home help make more power available to others? Answer – Fall River currently has 70 members on net metering. There are 2 members who produce more than they use. Fall River acts as the partner, energy bank or the battery when a member is producing more than they use. The Cooperative essentially exchanges the power and lets others use it and then replaces the energy when the member who produced excess needs additional energy- when the sun goes down or the wind stops blowing.

RESULTS OF THE ELECTIONS:

Chief Election Judge Patricia Sturm took the floor and announced that there was a total of 1,593 ballots cast and the elections results are as follows:

District 1 – Rexburg/Ririe:
Charles Allen 176
Brent Crowther 363
Wesley Donahoo 286
Todd Marx 110
Reed Miller 259
Mike Oswald 88
Shane Schulthies 83

District 5: West Driggs/Tetonia
Brent Robson 1327

District 6 – Ashton:
Jack Baird 230
Dede Draper 952
Shelby Tuckett 196

1081 approved By Law change. 84 opposed.

1075 approved Ad Hoc Committee 84 opposed.

ADJOURNMENT

There being no other business, the Fall River Annual Membership Meeting was adjourned at 12:20 p.m.

DRAWING OF DOOR PRIZES – President Doug Schmier and Director Ron Dye Drew the names of the many prize winners. The grand prize winner was Terry Johnson. Fall River Electric’s scholarship recipients helped with the distribution of the door prizes which was very much appreciated.

DATE APPROVED: June 15, 2019


Secretary